



Corporation

HARMON COLORS
NATIONAL ANILINE DIVISION

P. O. BOX 14 • HAWTHORNE, NEW JERSEY 07507 • TEL. AR 4-3332

AREA CODE 908
TWX ADD. TATWZYU
CNC MONTH

Chemsol Division
Scientific Chemical Treatment Co., Inc.
60 Prince Street
Elizabeth, New Jersey 07207

Dear Sirs:

This letter is intended to embody the understanding recently reached between the Chemsol Division of Scientific Chemical Treatment Co., Inc. ("Chemsol") and National Aniline Division, Allied Chemical Corporation ("National") concerning Chemsol's removing from National's Harmon Colors Plant in Hawthorne, New Jersey, ("Harmon Plant") a certain waste-product mixture which contains Methanol, Phosphoric Acid and water and contaminants ("Waste").

1. For the period commencing August 1, 1966, and ending July 31, 1968, Chemsol at its own expense and with its own equipment shall remove from the Harmon Plant all such waste produced at the Harmon Plant during said period and tendered to Chemsol by Harmon hereunder. During said period National will not sell, assign or transfer to any third person or persons any Waste or any right to dispose of any Waste, provided however, that nothing herein contained shall be deemed to limit or otherwise affect National's right to itself neutralize, dispose of, process or treat Waste.

2. Chemsol shall remove Waste from the Harmon Plant as and when directed by National on work days, exclusive of Saturday and Sunday and any holiday when the Harmon Plant shall not be operating. If for any reason Chemsol does not remove Waste within five (5) days (exclusive of Saturdays and Sundays and holidays as aforesaid) after National shall have directed Chemsol to do so, National shall have the right, without prejudice to any other rights it may have, to sell, assign or transfer to any third person or persons any or all of the quantity of Waste which has accumulated by reason of Chemsol's not removing Waste.

3. Likewise, if Chemsol, which has evaluated samples of the above mixture and invested money and time in installing and developing markets for the phosphoric acid, should find that

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they can not make a suitable saleable product on an economic basis, they shall have the right to cancel the contract on thirty (30) days' notice without further liability.

4. In removing Waste from the Harmon Plant, Chemsol shall conduct its operations so as not to interfere with the performance of work by National and others at the Harmon Plant. Chemsol shall restrict to the area designated by National for loading Waste, and to roadways or passageways leading to said area, all persons who at Chemsol's request or for reasons relating to Chemsol's performance hereunder come on to the premises of the Harmon Plant.

5. Chemsol shall indemnify, exonerate and save National harmless from and against any and all liability, damage, loss, cost, expense, claims and demands (i) on account of any injury to or death of, any person (including employees and agents of Chemsol and National) while on the premises of the Harmon Plant, or (ii) on account of any injury to, or death of, any other person, or damage to or loss of any property (including property of Chemsol and National) arising out of or in any manner connected with Chemsol's performance hereunder, unless due to the sole negligence of National.

6. During the term hereof, Chemsol shall, at its own expense, carry the following insurance through brokers and carriers of its own choice acceptable to National:

- (a) Automobile Liability Insurance with limits of not less than \$250,000 per person and \$500,000 per accident for bodily injury and \$250,000 per accident for property damage covering all vehicles, whether owned, non-owned or hired, used in connection with Chemsol's performance under this contract;
- (b) Workmen's Compensation Insurance to cover Chemsol's liability under laws and statutes of the state or states in which Chemsol's employees are hired or will work, with medical coverage of not less than \$100,000 in any state if such coverage is limited, provided, however, where statutory medical coverage in the state involved is unlimited, unlimited medical coverage shall be obtained; and Employer's Liability Insurance including Occupational Disease coverage, with limits of not less than \$100,000 per accident for Traumatic Injury and \$100,000 aggregate during any twelve-month period for Occupational Disease;

- (c) Comprehensive General Liability Insurance with limits of not less than \$250,000 per person and \$500,000 per occurrence for bodily injury, and \$500,000 per occurrence for property damage, including Contractor's Protective Coverage and Blanket Contractual Coverage, including, but not limited to, coverage for any and all liability under this agreement.

7. Before commencing work hereunder, Chemsol shall furnish to National certificates evidencing the required insurance coverage. All policies shall be endorsed to require the insurer to give National not less than thirty (30) days' prior written notice of any material change in or cancellation thereof. Chemsol shall, prior to the effective date of any such change or cancellation, replace such insurance with substantially identical insurance and furnish to National certificates evidencing same.

8. Chemsol shall pay to National a royalty on all sales by Chemsol of Phosphoric Acid reclaimed by Chemsol from waste, equal to twenty-five (25%) per cent of the amount by which the price at which Chemsol shall sell such Phosphoric Acid exceeds three cents (\$.03) per pound, f.o.b. Chemsol's plant. Within ten (10) days after the end of each calendar month, Chemsol shall submit to National a statement in writing setting forth the total number of pounds of Phosphoric Acid sold during such calendar month, the price per pound and the number of pounds for each sale, the name of the purchaser and a calculation of the amount of royalty due to National in accordance therewith. Within fifteen (15) days after submission of such statement to National, Chemsol shall pay National all royalties due in accordance therewith. National shall have the right at any time and from time to time to inspect the books and records of Chemsol to determine the correctness of the information supplied by Chemsol as aforesaid.

9. In further consideration of the rights granted to Chemsol by National hereunder, Chemsol grants to National, for the term of this agreement, a right of first refusal to purchase any or all of the Methanol reclaimed by Chemsol from Waste at a price per gallon as set forth below:

- (a) \$.20, delivered to the Harmon Plant;
- (b) \$.1925 F.O.B. Chemsol's plant, for National's Buffalo Plant

10. Chemsol shall notify National of the availability of Methanol and shall submit to National a sample of the Methanol to be offered as aforesaid. Within ten (10) days after receipt of said sample National shall notify Chemsol of National's decision to purchase and the quantity desired together with delivery instructions. Chemsol warrants that any Methanol delivered hereunder shall be in accordance with and shall have the same chemical properties as the Methanol supplied in the sample referred to above. Chemsol makes no other warranties or representations as to the quality of the Methanol so offered and sold.

11. The royalty referred to in Paragraph 8 above on sales of Phosphoric Acid and the prices of Methanol as set forth in Paragraph 9 above are predicted on the respective costs of recovery to Chemsol. If after June 30, 1967, the cost to Chemsol of recovery of either Phosphoric Acid or Methanol shall increase or decrease, the parties agree to negotiate in good faith for changes in the royalty on Phosphoric Acid or in the prices for Methanol, as the case may be.

12. Delay or failure of either party to perform any obligation or duty imposed under this Agreement (except the obligation to make payments hereunder) shall not be deemed a breach of the Agreement, if such delay or failure results directly or indirectly from fire, explosion, labor disputes (whether or not the demands are reasonable and within the power of the party to grant), unavailability of qualified labor, casualty or accidents; lack or failure of transportation facilities, epidemic, cyclone, flood, drought or war, declared or undeclared, revolution, civil commotion, acts of public enemies, blockage, or embargo; or any law, proclamation, regulation, ordinance, demand or requirement of any government or any subdivision, authority or representative of any government; or any other cause whatsoever, whether similar or dissimilar to those enumerated, if beyond the control of the party involved.

13. The term of this Agreement shall be for the two-year period set forth in Paragraph 1 above and thereafter from year to year, for periods of one year at a time, unless either party shall give the other written notice of termination no later than three (3) months prior to the end of the initial two-year term or any renewal term.

14. This letter contains the complete understanding of the parties with respect to matters herein and all

prior writings or agreements between the parties with respect to such matters are hereby superseded and cancelled.

If you are in agreement with the foregoing, kindly so indicate by signing and returning the enclosed copy of this letter.

Very truly yours,

NATIONAL ANILINE DIVISION
ALLIED CHEMICAL CORPORATION

By *R. R. Branchio*

AGREED TO AND ACCEPTED:

CHEMSOL DIVISION
SCIENTIFIC CHEMICAL TREATMENT CO., INC.

By *William M. Graham*

DATED: *July 21, 1966*

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